



> Affordable & Liveable Property Guide

Hobart Metro 2nd Half 2021

OVERVIEW

Median property prices in Hobart Metro increased by 30.5% for houses to \$740,000 from Q3 2020 to Q3 2021*, and by 43.5% for units at \$640,000. Between Q3 2020 – Q3 2021 total house sales declined by -1.3% (to 444 sales), and by -18.5% for unit sales (to 190 sales). Median price growth coupled with low transaction volumes suggests an imbalance between stock and demand. Undersupply is evident in Hobart Metro's property market, more so significantly for units. An estimated \$387.0M of developments are planned across the 2nd half of 2021, with a higher focus on mixed-use and residential projects. This will boost supply of ready-to-sell properties (420 units, 422 townhouses, and 10 dwellings), and ready-to-build lots planned (50). This will create a slightly more balanced property market, especially for first home buyers. Infrastructure and commercial projects suggest new businesses and improved services, and with imminent border openings, tourism should return in 2022.

RECENT TOP PERFORMERS

Area	Suburb	Type	Median Price 2020	Median Price 2021*	Price Growth	Projects 2021***
Inner	Hobart	House	\$796,300	\$995,000	25.0%	\$66.1M
	Hobart	Unit	\$655,000	\$801,000	22.3%	\$66.1M
North	Glenorchy	House	\$421,500	\$503,500	19.5%	\$10.4M
	Glenorchy	Unit	\$353,000	\$410,000	16.1%	\$10.4M
South	Kingston	House	\$565,000	\$674,000	19.3%	\$46.7M
	Kingston	Unit	\$458,500	\$540,500	17.9%	\$46.7M
East	Rokeby	House	\$380,000	\$480,000	26.3%	\$6.0M
	Howrah	Unit	\$440,000	\$512,500	16.5%	\$2.2M

METHODOLOGY

This affordable and liveable property guide for Hobart Metro analyses all suburbs within a 20km radius of the Hobart CBD. The following criteria were considered:

- Property trends criteria** – all suburbs have a minimum of 10 sales transactions for statistical reliability purposes. Based on market conditions, suburbs have either positive, or as close as possible to neutral price growth between 2020 to 2021*.
- Investment criteria** – as of September 2021, suburbs considered will have an on-par or higher rental yield than Hobart Metro, and an on-par or lower vacancy rate.
- Affordability criteria** – identified affordable and liveable suburbs have a median price below a set threshold. This was determined by adding percentage premiums to the Tasmanian (TAS) average home loan, which was \$384,525** as of Q2 2021. Premiums of 83% for houses and 43% for units were added, which were below those required to reach Hobart Metro's median prices (92% for houses and 66% for units). This places the chosen suburbs below Hobart's median prices, meaning that the suburbs identified within this report are more affordable for buyers.
- Development criteria** – suburbs identified must have a high total estimated value of future project development for the 2nd half of 2021, as well as a higher proportion of commercial and infrastructure projects. This ensures the suburbs show signs of sustainable economic growth, in turn positively affecting the property market.
- Liveability criteria** – all identified suburbs have low crime rates, availability of amenities within a 5km radius (i.e. schools, green spaces, public transport, shopping centres and health care facilities), and an unemployment rate on-par or lower in comparison to the TAS average (as determined by the Department of Jobs and Small Business, June Quarter 2021 release).

*Median price quoted captures sale transactions from 1st January 2021 to 30th September 2021, or Q1 2020 – Q3 2021. **Average home loan figure is derived from June Quarter 2021 Housing Affordability Report by the Real Estate Institute of Australia (REIA) and Adelaide Bank. ***Project development is based on aggregate of estimated construction value for residential, commercial, industrial, mixed-use and infrastructure projects scheduled to commence in the 2nd half of 2021 as stated by the relevant data authority. ^Annual Change is reflective of median price change from Q3 2020 to Q3 2021. Figures displayed in infographics are for the period Q3 2020. Source: APM Pricerfinder, REIA, SQM Research, Cordell Connect, Department of Jobs and Small Business. © PRD 2021.

HOBART METRO

Annual Change^



Sales ↓
Median Price ↑
Rental Price ↑



Sales ↓
Median Price ↑
Rental Price ↑

MEDIAN SALE PRICE



HOUSE



UNIT

MEDIAN RENTAL PRICE



HOUSE



UNIT

BENCHMARKS HOBART METRO



HOUSE YIELD



UNIT YIELD



BENCHMARKS TASMANIA

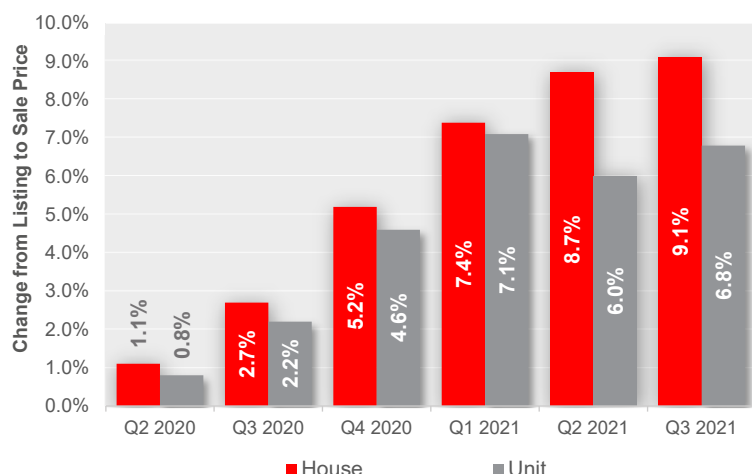


UNEMPLOYMENT RATE



AVERAGE HOME LOAN
\$384,525

AVERAGE VENDOR DISCOUNT

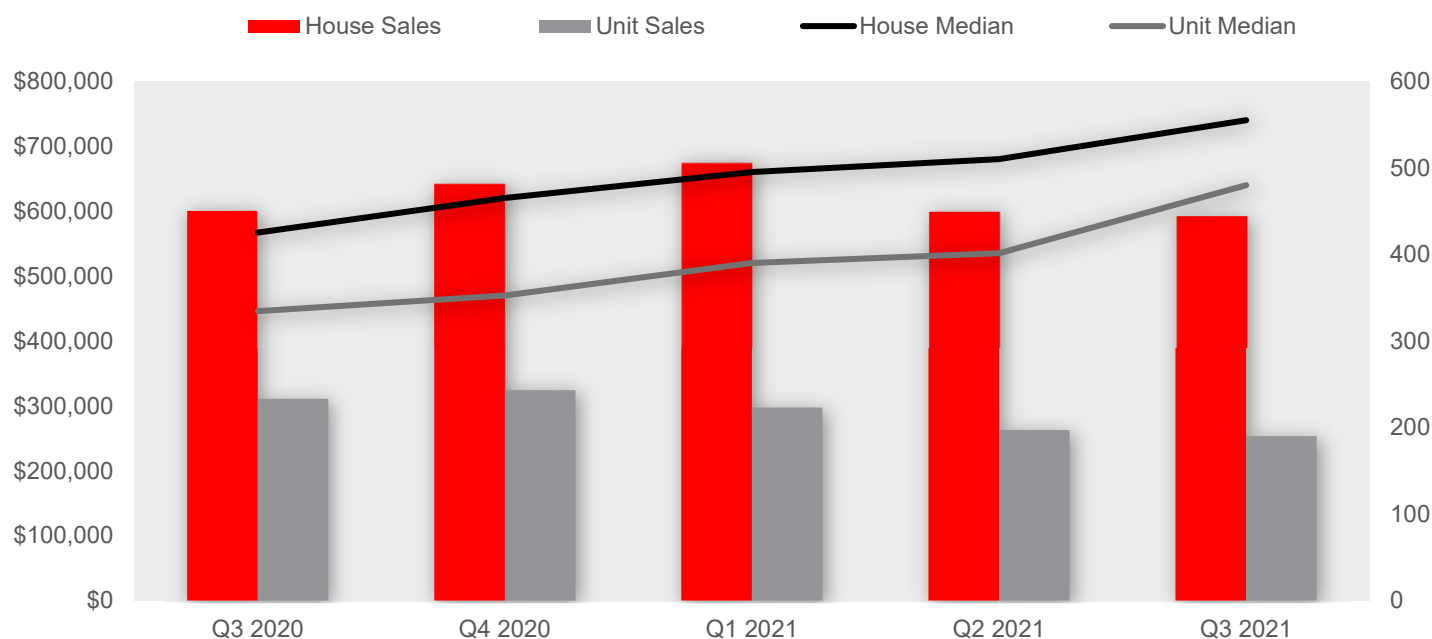


KEY COMMENTS

Average vendor discounts between Q3 2020 and Q3 2021 have further swung towards a higher premium, reaching record-breaking levels of +9.1% for houses +6.8% for units. Hobart Metro's market conditions have further shifted to favour vendors, as buyers must offer far above initial list prices.

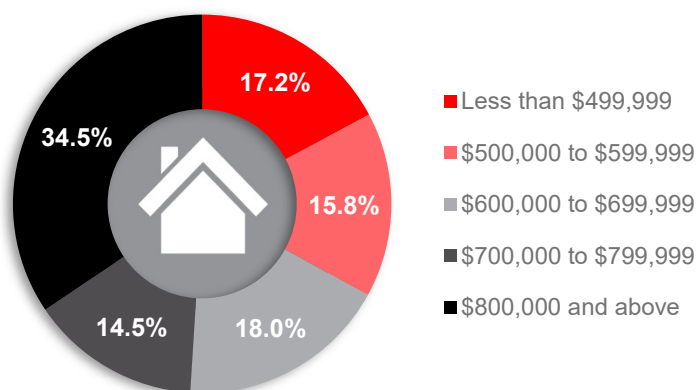
The dominant proportion of homes sold in Hobart Metro across 2021# were in the premium price bracket of above \$800,000 (34.5%). Units recorded a dominant premium price bracket of above \$700,000 (30.0%). Hobart Metro has further shifted towards premium pricing. Affordable price points are still evident, however have significantly shrunk in the past 12 months. Supply is crucial to create sustainable price growth for buyers.

MARKET PERFORMANCE

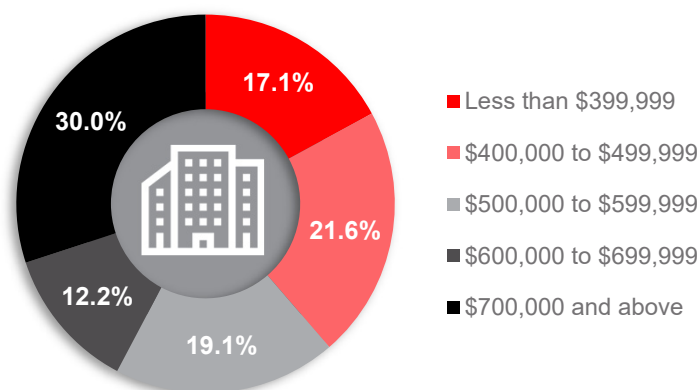


PRICE BREAKDOWN 2021#

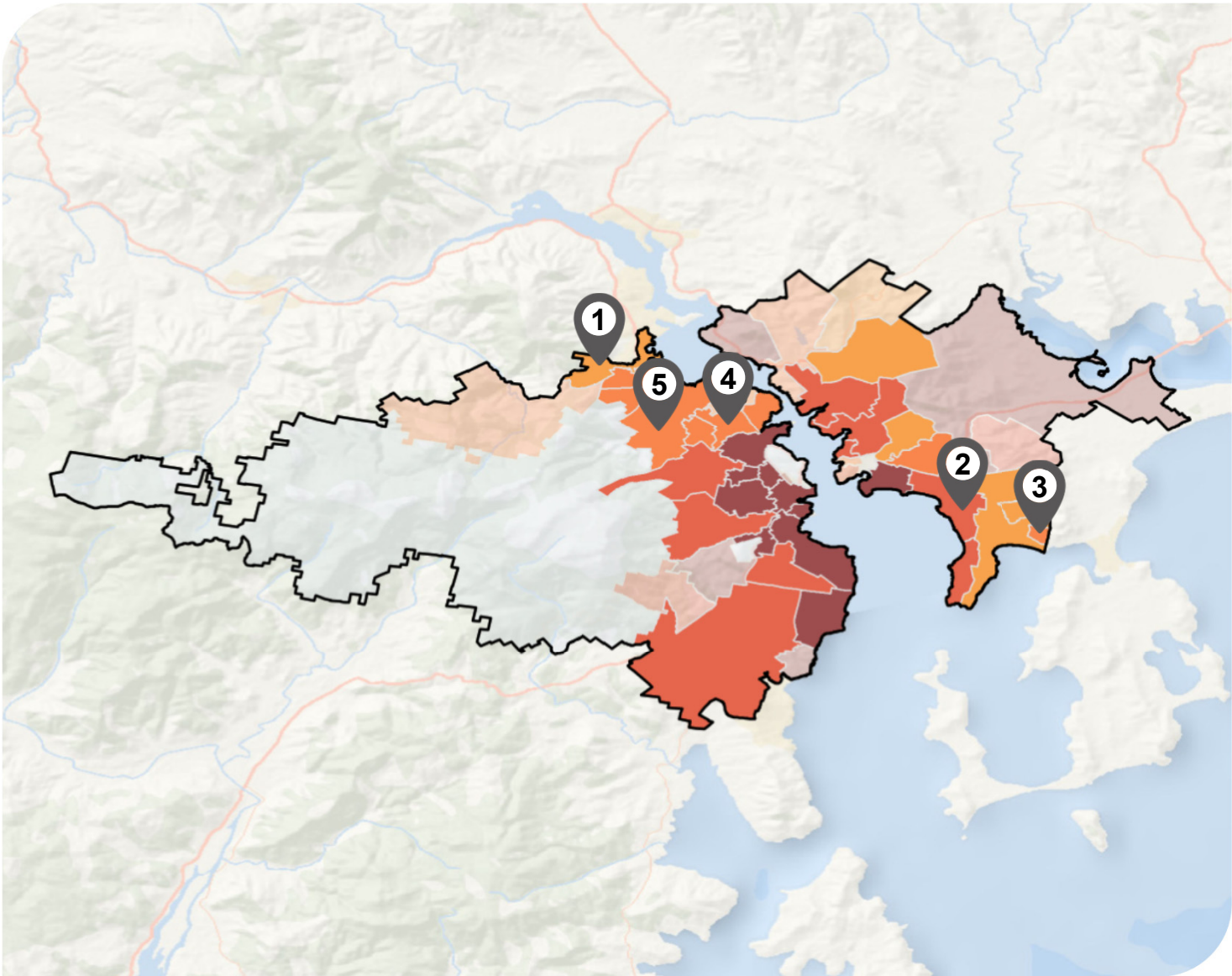
HOUSES SOLD



UNITS SOLD



HOBART METRO MEDIAN HOUSE PRICE 2021* 10KM FROM CBD



LEGEND

- Data not available
- \$350,000 - \$500,000
- \$500,000 - \$650,000
- \$650,000 - \$800,000
- \$800,000+
- 10km from CBD

Translucent colours for <10 sales

HOBART AFFORDABLE & LIVEABLE SUBURBS RENTAL YIELD

House			Unit		
Suburb	House		Suburb	Unit	
1 Berriedale	4.2%		3 Oakdowns	5.3%	
2 Howrah	3.9%		4 Moonah	5.3%	
3 Oakdowns	3.9%		5 Glenorchy	5.3%	

*House median price reflected in the heat-map captures sale transactions from 1st January 2021 to 30th September 2021.
Source: APM Pricefinder, ESRI ArcGIS, SQM Research. © PRD 2021.

RENTAL GROWTH 2021€

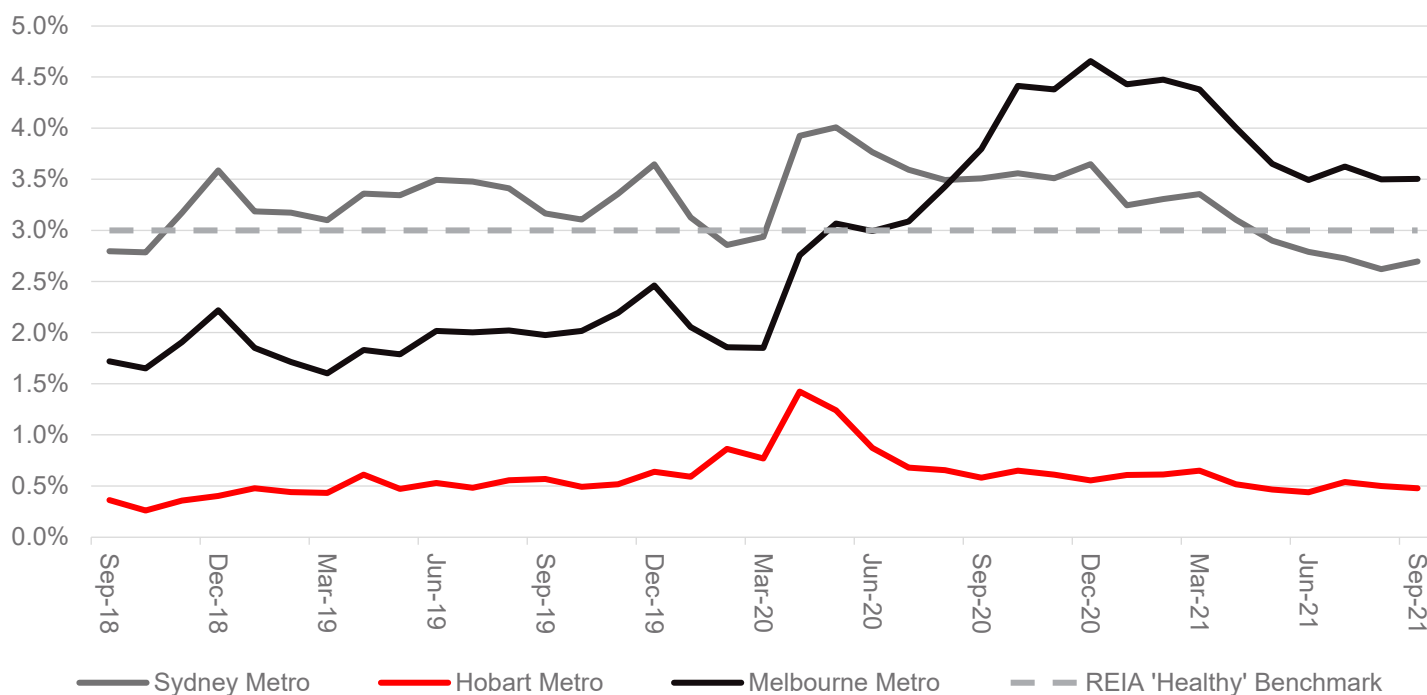
In September 2021, house rental yields in Hobart Metro were recorded at 3.7%. In the 12 months to Q3 2021, the median house rental price increased by 10.6% to reach \$520 per week, further complemented with average days on the market declining by -9.1% (to 20 days). The Hobart Metro rental house market has remained highly resilient throughout COVID-19.

Three + bedroom units recorded the highest annual rental growth (of +10.0%) to reach \$550 per week, whilst three bedroom houses recorded +5.3% annual growth to reach \$500. In positive news, no bedroom configuration for houses or units recorded negative rental growth. Similar to the 1st half of 2021, median price growth for both property types has outstripped rental growth. This suggests tighter rental yields, which may prove less beneficial to investors.

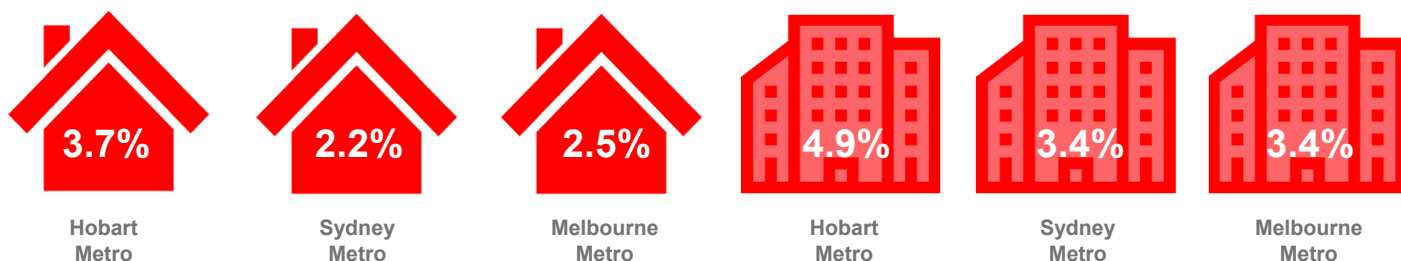
In September 2021, Hobart Metro recorded a very low vacancy rate of 0.5%, below that of Melbourne Metro (3.5%) and Sydney Metro (2.7%). Vacancy rates in Hobart Metro also sit well below the Real Estate Institute of Australia's healthy benchmark of 3.0%. Further, Hobart Metro's vacancy rate has shown a declining trend since peaking in April 2020 due to COVID-19, offering investors higher confidence in what is a consistently strong rental market.



RENTAL VACANCY RATES 2021



RENTAL YIELD 2021§



€ Annual rental growth is a comparison between Q3 2020 – Q3 2021 (01/07/2020 – 30/09/2021) house median rent figures.

§ Rental yields shown are as reported at September 2021.

Source: APM Pricer, SQM Research. © Copyright PRD 2021.

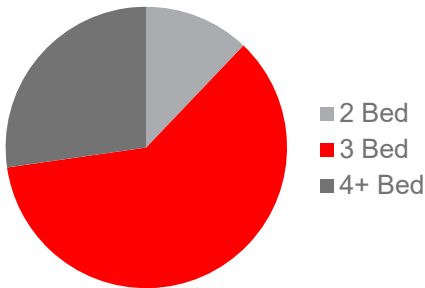


PROPERTY CLOCK - HOUSES



AFFORDABLE & LIVEABLE HOUSE SUBURBS

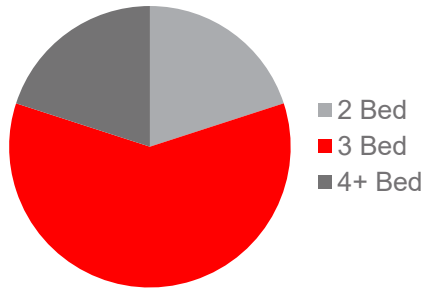
BERRIEDALE 7011



Located about **9.5km** from the Hobart CBD.

Median House Price	\$480,000
• 2 Bed Median Price	\$416,500*
• 3 Bed Median Price	\$480,000
• 4+ Bed Median Price	\$570,000*

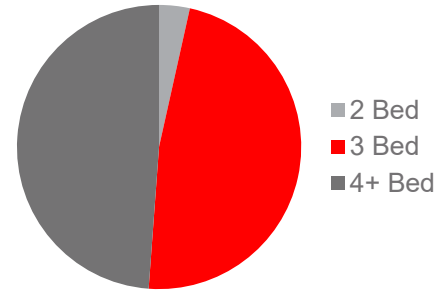
OAKDOWNS 7019



Located about **10.0km** from the Hobart CBD.

Median House Price	\$595,000
• 2 Bed Median Price	\$355,000*
• 3 Bed Median Price	\$600,000*
• 4+ Bed Median Price	\$700,000*

HOWRAH 7018



Located about **5.5km** from the Hobart CBD.

Median House Price	\$705,000
• 2 Bed Median Price	\$545,500*
• 3 Bed Median Price	\$657,200
• 4+ Bed Median Price	\$821,000

Annual Median Price Growth	14.3%**	Annual Median Price Growth	12.8%**	Annual Median Price Growth	23.7%**
Vacancy Rate (Sep-21)	0.4%	Vacancy Rate (Sep-21)	0.1%	Vacancy Rate (Sep-21)	0.2%
Rental Yield (Sep-21)	4.2%	Rental Yield (Sep-21)	3.9%	Rental Yield (Sep-21)	3.9%
Key Amenities (5km)	Museum of Old and New Art (MONA)	Key Amenities (5km)	Roches Beach	Key Amenities (5km)	Shoreline Plaza Shopping Centre
Total Projects (\$)	\$208.7M^	Total Projects (\$)	\$6.0M^	Total Projects (\$)	\$5.1M^
Key Project	Mona Accommodation Berriedale (\$6.0M)	Key Project	Emmaline Court Townhouses (\$4.8M, 16 Units)	Key Project	Rosalie Place & Ploughman Road Units (\$2.0M, 8 Units)
Unemployment Rate	7.5%↑	Unemployment Rate	3.3%	Unemployment Rate	2.8%

^Quoted estimated values of projects are based on reported land/construction values in the relevant postcodes as stated by the relevant data authority and do not signify their commercial/resale value. *Median price is quoted as an indication only due to having less than 20 sales transactions. †Quoted unemployment rate is an indication of only having a higher rate than the state average. **Median price growth quoted captures sale transactions from 1st January 2021 to 30th September 2021, or Q1 2021 – Q3 2021. Source: APM Pricerfinder, SQM Research, Cordell Connect, Department of Small Jobs and Business, Google Maps. © PRD 2021.

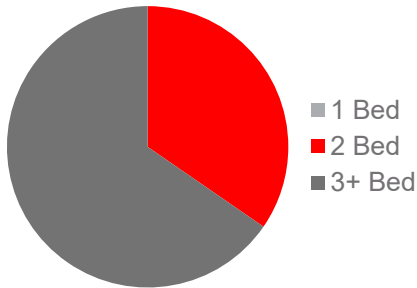


PROPERTY CLOCK - UNITS



AFFORDABLE & LIVEABLE UNIT SUBURBS

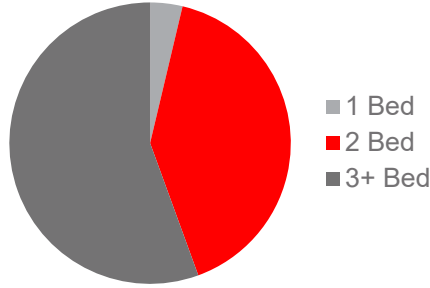
GLENORCHY 7010



Located about **5.0km** from the Hobart CBD.

Median Unit Price	\$410,000
• 1 Bed Median Price	\$280,000*
• 2 Bed Median Price	\$390,500
• 3+ Bed Median Price	\$464,000*

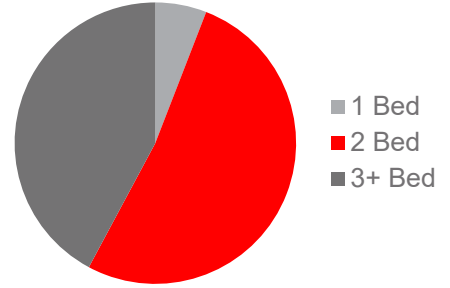
MOONAH 7009



Located about **4.0km** from the Hobart CBD.

Median Unit Price	\$480,000
• 1 Bed Median Price	\$310,000*
• 2 Bed Median Price	\$470,000*
• 3+ Bed Median Price	\$514,500*

OAKDOWNS 7019



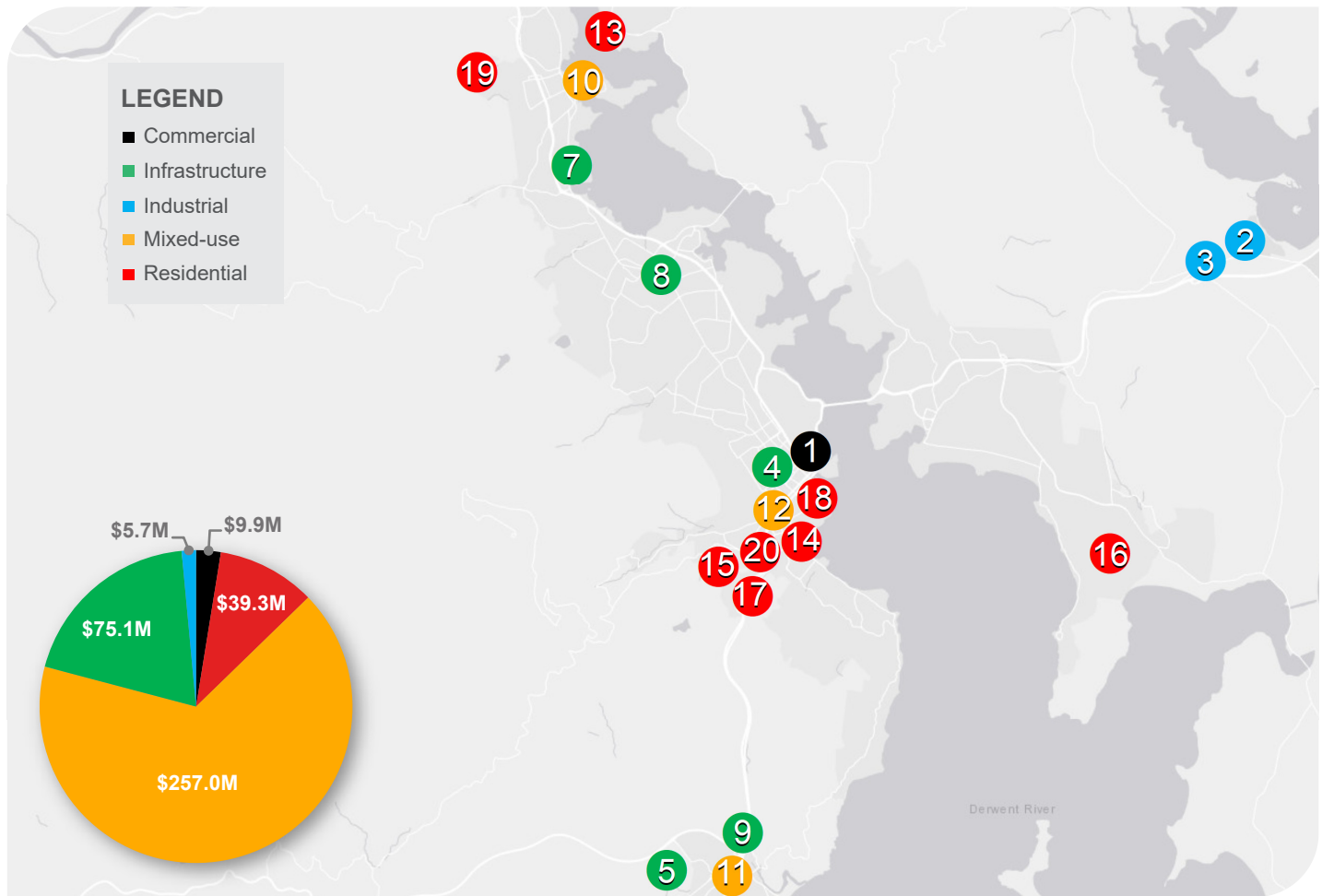
Located about **10.0km** from the Hobart CBD.

Median Unit Price	\$550,000
• 1 Bed Median Price	N/A
• 2 Bed Median Price	\$470,000*
• 3+ Bed Median Price	\$579,000*

Annual Median Price Growth	16.1%**	Annual Median Price Growth	31.5%**	Annual Median Price Growth	25.0%**
Vacancy Rate (Sep-21)	0.2%	Vacancy Rate (Sep-21)	0.4%	Vacancy Rate (Sep-21)	0.1%
Rental Yield (Sep-21)	5.3%	Rental Yield (Sep-21)	5.3%	Rental Yield (Sep-21)	5.3%
Key Amenities (5km)	Northgate Shopping Centre	Key Amenities (5km)	Royal Tasmania Botanical Gardens	Key Amenities (5km)	Roches Beach
Total Projects (\$)	\$10.6M^	Total Projects (\$)	\$1.8M^	Total Projects (\$)	\$6.0M^
Key Project	Glenorchy Super Ambulance Station (\$6.0M)	Key Project	Metro Tasmania Springfield Bus Depot (\$850K)	Key Project	Emmaline Court Townhouses (\$4.8M, 16 Units)
Unemployment Rate	8.0%↑	Unemployment Rate	7.7%↑	Unemployment Rate	3.3%

^Quoted estimated values of projects are based on reported land/construction values in the relevant postcodes as stated by the relevant data authority and do not signify their commercial/resale value. *Median price is quoted as an indication only due to having less than 20 sales transactions. †Quoted unemployment rate is an indication of only having a higher rate than the state average. **Median price growth quoted captures sale transactions from 1st January 2021 to 30th September 2021, or Q1 2021 – Q3 2021. Source: APM Pricefinder, SQM Research, Cordell Connect, Department of Small Jobs and Business, Google Maps. © PRD 2021.

PROJECT DEVELOPMENT MAP 2ND HALF 2021*



Location	Project [£]	Type	Estimated Value ^µ	Suburb
1	Mazda Hobart Vehicle Display Showroom & Service Centre	Commercial	\$3,500,000	North Hobart
2	Cessna Way Warehouse Units	Industrial	\$2,500,000	Cambridge
3	Railway Court Warehouse	Industrial	\$2,800,000	Cambridge
4	Northern Tasmania Pavement Resurfacing	Infrastructure	\$4,614,000	Hobart
5	Lightwood Park Kingston	Infrastructure	\$20,000,000	Kingston
Not Mapped	State-wide Bridge Strengthening 2021/2022 - Package 1	Infrastructure	\$10,000,000	Hobart
7	Mona Accommodation Berriedale (Moab)	Infrastructure	\$6,000,000	Berriedale
8	Glenorchy Super Ambulance Station	Infrastructure	\$6,000,000	Glenorchy
9	Kingborough Park & Ride - Huntingfield & Firthside Facility	Infrastructure	\$4,942,000	Kingston
10	Windermere Bay Precinct (316 Units, 315 Townhouses)	Mixed-use	\$200,000,000	Claremont
11	Kingston Park - Kings Quarter - Birch Row (1 Unit, 67 Townhouses)	Mixed-use	\$20,000,000	Kingston
12	Maquarie Street Mixed Use Development (40 Units)	Mixed-use	\$36,000,000	Hobart
13	Fouche Avenue Units (15 Units)	Residential	\$4,500,000	Old Beach
14	Montgomery Court Units (5 Units)	Residential	\$3,900,000	Sandy Bay
15	Romilly Street Townhouses (9 Townhouses)	Residential	\$3,600,000	South Hobart
16	Emmaline Court Townhouses (16 Townhouses)	Residential	\$4,800,000	Rokeby
17	Romilly Street Townhouses (9 Townhouses)	Residential	\$3,000,000	South Hobart
18	Macquarie Street Apartments (4 Units)	Residential	\$2,500,000	Hobart
19	Abbotsfield Road Subdivision (50 Lots)	Residential	\$2,500,000	Claremont
20	Gardenia Grove Townhouses (6 Townhouses)	Residential	\$2,000,000	Sandy Bay

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PRD Research Division provides reliable, unbiased, and authoritative property research and consultancy to clients in metro and regional locations across Australia

Our extensive research capability and specialised approach ensures our clients can make the most informed and financially sound decisions about residential and commercial properties.

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Access to accurate and objective research is the foundation of all good property decisions.

As the first and only truly knowledge based property services company, PRD shares experience and knowledge to deliver innovative and effective solutions to our clients.

We have a unique approach that integrates people, experience, systems and technology to create meaningful business connections. We focus on understanding new issues impacting the property industry; such as the environment and sustainability, the economy, demographic and psychographic shifts, commercial and residential design; and forecast future implications around such issues based on historical data and fact.

OUR PEOPLE

Our research team is made up of highly qualified researchers who focus solely on property analysis.

Skilled in deriving macro and micro quantitative information from multiple credible sources, we partner with clients to provide strategic advice and direction regarding property and market performance. We have the added advantage of sourcing valuable and factual qualitative market research in order to ensure our solutions are the most well considered and financially viable.

Our experts are highly sought after consultants for both corporate and government bodies and their advice has helped steer the direction of a number of property developments and secured successful outcomes for our clients.

OUR SERVICES

Our research services span over every suburb, LGA, and state within Australia; captured in a variety of standard and customised products.

We have the ability and systems to monitor market movements, demographic changes and property trends. We use our knowledge of market sizes, price structure and buyer profiles to identify opportunities for clients and provide market knowledge that is unbiased, thorough and reliable.

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